

City of Detroit

Office of the Inspector General

Make Your Date

OIG Case No. 19-0013-INV

October 21, 2019



Ellen Ha, Esq.
Inspector General

Executive Summary

On April 5, 2019, in accordance with the 2012 Charter of the City of Detroit (Charter), the Office of Inspector General (OIG) initiated its own investigation pertaining to questions surrounding Wayne State University's Make Your Date (MYD) program and the support it received from the City. Due to public interest in this matter, the OIG issued a press release announcing the investigation.

It is important to note that we are an independent agency that is charged with ensuring honesty and integrity in the City. Our jurisdiction is limited by the Charter to investigate matters concerning abuse, waste, fraud and corruption. We do not have jurisdiction over legal matters, and as such, we do not provide legal analyses or make legal determinations. We gather evidence during the course of our investigation and make factual findings. Our investigation led us to two (2) key findings which are reflected in detail in the OIG's Report.

1. MYD was unilaterally selected by the Mayor based on his experience and the advice of members of his transition team. However, the OIG finds that any time an agency, non-profit, or other organization receives City of Detroit resources, it should be selected through a fair, open, and transparent process. This is necessary to ensure the public that City time and resources, including taxpayer dollars, are being expended wisely, efficiently, and effectively.
2. The Mayor's Chief of Staff, Alexis Wiley, ordered certain Office of Development and Grants (ODG) employees to delete their respective emails pertaining to MYD through Chief Development Officer Ryan Friedrichs and Deputy Chief Development Officer Sirene Abou-Chakra. The deletion of emails only serves to undermine the public's trust in an open and transparent government. Therefore, the OIG finds such conduct as abuse of authority.

Of the above-referenced OIG's key findings, we find the latter to be more egregious conduct for the reasons stated in this summary. The very fact that they were ordered to be deleted alone casts a shadow over transparency. As such, we respectfully encourage the Mayor to consider our recommendations on this matter.

On October 14, 2019, the OIG received a joint-written response from the Mayor, Alexis Wiley, Ryan Friedrichs, and Sirene Abou-Chakra in response to the draft report. A copy of the joint-written response is attached to this Final Report. We believe both the OIG's report and the joint-written response speak for themselves.

However, it is important to note that the OIG is not making a determination on whether the support provided by the City in MYD's effort to reduce infant mortality in the City was wrong. In fact, we recognize and applaud Mayor Duggan and the City of Detroit, including the Detroit Health Department and SisterFriends Detroit's, efforts to reduce infant mortality as well as the significant contributions made by MYD. It is entirely appropriate that City time and resources be allocated to this goal. However, there must be a process by which any agency, non-profit, or other organization is selected to receive these resources. Therefore, we again respectfully encourage the Mayor to consider our recommendation on this matter.

I. Introduction

The Office of Inspector General (OIG) initiated an investigation to determine whether the Mayor and/or any City officials potentially abused his/her/their authority by providing preferential treatment to Make Your Date Detroit (MYD). The investigation was opened after questions arose regarding the City's connection with MYD. Under the 2012 Charter of the City of Detroit (Charter), our Office is charged with the duty to conduct such an investigation.

The City of Detroit OIG was established through the 2012 Charter of the City of Detroit, after the citizens of Detroit witnessed its former Mayor and other high ranking City officials indicted, charged, and sent to jail. As such, the Charter makes clear the OIG must function as an independent City agency that serves the purpose of ensuring honesty and integrity in City government by rooting out waste, abuse, fraud and corruption. The Charter gives the Inspector General (IG) jurisdiction over the conduct of every public servant, including elected officials. The Charter also grants the IG certain powers and duties, including the ability to initiate an investigation. However, the Charter does not authorize the OIG to make any legal determinations or conclusions on behalf of the City.

To ensure honesty, the Charter requires confidentiality of its investigative files during the investigation, as without such assurances, witnesses may not come forward and tell the truth because of a fear of reprisal, whether by public opinion, news agencies, coworkers, supervisors, friends, etc. Likewise, to ensure integrity, the Charter prohibits retaliation against any witnesses who participate in the OIG investigation.

Therefore, the OIG has not commented on its ongoing investigation and has advised those who participated in the investigation to do the same, as this is required by the Charter. Witnesses must provide testimonies based on their personal recollection of events, not based on what has been discussed with others, read, heard, or seen on the news. This is essential to conducting a fair and impartial investigation.

The OIG reviewed more than 400,000 pages of documents, interviewed numerous individuals, and conducted extensive research on best practices pertaining to mayoral initiatives and the relationship between public bodies and non-profit organizations. Below is the report of the culmination of the OIG's investigation of this matter.

I. Scope of Investigation

The focus of the OIG investigation was to determine whether Mayor Mike Duggan and/or any City officials abused their authority by providing preferential treatment to MYD. During the investigation, the OIG received an allegation that staff from the Office of Development and Grants (ODG) were directed by a high-ranking City official to delete emails related to the department's fundraising efforts on behalf of MYD. As a result, the OIG expanded its investigation to include the deletion of emails.

The OIG did not investigate the non-profit status of MYD or how it is affiliated with Wayne State University (WSU) because those determinations are irrelevant to this particular

OIG investigation.¹ Additionally, there was no allegation or evidence which suggested that MYD misused funds. Therefore, the OIG did not investigate the flow of any City of Detroit fund allocations once they were distributed to MYD.

The OIG also did not seek to determine whether the deletion of emails by ODG staff violated any laws pertaining to the Michigan Record Retention Schedule, as the OIG does not make legal determinations and as another agency is concurrently investigating the deletion of MYD emails. Consequently, our report will be limited to whether the emails were ordered to be deleted and whether the person who issued the order abused his/her authority in doing so.

II. Findings

The role of the OIG is to make findings based on sufficient, competent, and relevant evidence and to connect the finding to reach its conclusion.² The standard of our fact finding is based on preponderance of evidence.³ Based on information gathered in our investigation, the OIG finds that it is more probable than not that the following occurred:

1. Mayor Duggan provided preferential treatment to MYD. However, such treatment did not rise to the level of abuse of power.
2. While the Mayor did not violate any City policies, procedures, or laws in providing preferential treatment to MYD, such treatment was not best practice or good governance.
3. The selection of MYD to partner with the City of Detroit as well as be the recipient of City resources was done in a manner that lacked fairness, openness, and transparency.
4. ODG staff successfully assisted MYD in raising grant funds, in direct contradiction to the initial public statements made by the Mayor's Chief of Staff, Alexis Wiley.
5. City of Detroit general funds have been allocated to MYD participants specifically to pay for Lyft rides. Though these funds are paid directly to Lyft through DHD, it is clear that the funds were allocated to benefit MYD participants.
6. Ms. Wiley abused her authority by ordering ODG staff to delete emails related to MYD.
7. ODG Chief Development Officer, Ryan Friedrichs, abused his authority by being complicit in relaying the order from Alexis Wiley to the ODG staff to delete their respective emails related to MYD.
8. ODG Deputy Chief Development Officer, Sirene Abou-Chakra, abused her authority by reiterating the same order to the ODG staff to delete emails related to MYD.

¹ On October 8, 2019, MYD's non-profit status was settled by the Michigan Attorney General who determined that MYD fell under that statutory exemption for non-profits that do not solicit or receive funds in excess of \$25,000 and has no reporting requirements.

² *Principles and Standards for Offices of Inspector General* from the Association of Inspectors General, pg. 30.

³ <https://www.merriam-webster.com/legal/preponderance%20of%20the%20evidence>

III. Overview of Programs

a. Make Your Date

It is important to note that our report is not making any determinations on whether MYD was qualified to address infant mortality problems in the City. Likewise, the OIG is not opining on whether MYD is the best fit for the City's effort in reducing infant mortality rate. The OIG is not a qualified agency to make such determinations. The issue before the OIG is how MYD was selected. In short, it appears that there was no selection process and no other organization or program was considered by the Mayor when MYD received his support.

During his interview, the Mayor stated that while working as the CEO of the Detroit Medical Center (DMC), he learned that the infant mortality rate in Detroit was one of the highest in the country. Therefore, once he took office in January of 2014, he made reducing infant mortality one of his top initiatives. To help achieve this goal, he asked WSU and WSU Medical School's Associate Dean of Maternal, Perinatal and Child Health, Dr. Sonia Hassan,⁴ to use their expertise to help reduce infant mortality in Detroit. As a result, in May 2014, MYD was launched by WSU to help fight infant mortality in the City of Detroit.⁵

The City of Detroit has an infant mortality rate of 14 deaths per 1,000 which is double the rate of the State of Michigan.⁶ Preterm birth is the leading cause of infant mortality worldwide⁷ and in Detroit 18% of babies are born premature.⁸ MYD utilizes evidence-based practices to ensure that mothers and their babies receive world-class medical care along with education and social support. MYD focuses on reducing the number of preterm births in Detroit by providing women with prenatal care, cervical length screening and treatment (if necessary), pregnancy education classes, and group prenatal care.⁹

Our investigation found that the City of Detroit made significant contributions to MYD through the support of City of Detroit employees and leaders, monetary contributions, and the creation of SisterFriends Detroit (SFD). Again, we are not making a determination on whether the support provided by the City in MYD's effort to reduce infant mortality in the City was wrong. In fact, we are mindful of the various medical and social research which support the fact that infant mortality is an important issue and we laud any program, including MYD that

⁴ Dr. Sonia Hassan was named co-chair for Detroit Mayor Mike Duggan's Healthcare Transition Team and was named director of the mayor's preterm birth reduction plan, Make Your Date.

⁵ Make Your Date The Carls Foundation submission, July 31, 2018.

⁶ Michigan Infant Mortality. 1990- 2010 Michigan Resident Birth and Death Files, Division for Vital Records & Health Statistics, Michigan Department of Community Health from <https://makeyourdate.org/facts/> and <https://makeyourdate.org/references/#ref1>

⁷ Committee on Understanding Premature Birth and Assuring Healthy Outcomes, Board on Health Sciences Policy. Preterm Birth Causes, Consequences, and Prevention: Institute of Medicine of the Academies. The National Academies Press: Washington D.C., 2007 from <https://makeyourdate.org/facts/> and <https://makeyourdate.org/references/#ref2>

⁸ March of Dimes. National Center for Health Statistics, final natality data. Retrieved November 11, 2013 from <https://makeyourdate.org/facts/> and <https://makeyourdate.org/references/#ref5>

⁹ <https://makeyourdate.org/about/>

provides assistance to the City in addressing the various challenges confronted by expectant mothers.

b. SisterFriends Detroit

SFD is a DHD initiative. It is based on a thirty (30) year old community support and mentoring model called Birthing Project USA. It pairs community based mentors (SisterFriends) with expectant mothers (LittleSisters) and provides important resources such as transportation to prenatal and parenting classes as well as medical appointments.¹⁰ It also connects LittleSisters to other public resources such as Black Mothers Breastfeeding Association, Crossroads of Michigan, Wayne Metropolitan Community Action Agency, and MYD clinics.¹¹

The goal of the program is to reduce the infant mortality rate in the City by connecting pregnant women to a person who can provide social support throughout the pregnancy. SFD participants are also assigned a Community Health Worker who can assist expectant mothers to problem solve any challenges during their pregnancies by connecting them with resources, and providing guidance to the SFD participants.¹²

c. SFD and MYD Collaboration

On August 16, 2017, Mayor Duggan announced a citywide effort to reduce preterm birth and infant mortality in the City of Detroit with the partnership of SFD and MYD. According to a City of Detroit press release, this “partnership celebrates the successful impact of Make Your Date™ Detroit and blends world-class medical resources with community-based support in an effort to achieve healthier outcomes for both moms and babies.¹³” Since its launch in 2014, MYD has served more than 5,800 pregnant women in the City of Detroit and has demonstrated a reduced rate of premature births, the leading cause of infant mortality, among its participants.¹⁴ SFD supports better birth outcomes by providing mentors to women and their families during pregnancy and for one year after the birth of their children.

SFD and MYD, while separate, complement each other by working together to eliminate barriers to care and ensuring that expectant mothers have access to emotional support and cutting edge medical practices. The partnership connects expectant mothers to resources such as health insurance, home visits and prenatal care. The partnership also offers a SisterFriend to every expectant mother with a personalized action plan, and offers educational classes on a variety of topics concerning pregnancy, birth, and parenting skills.¹⁵

¹⁰ 2018 Model Practices Program Application- SisterFriends Detroit.

¹¹ <https://detroitmi.gov/departments/detroit-health-department/programs-and-services/sisterfriends-detroit>

¹² <https://detroitmi.gov/document/sister-friends>

¹³ <https://detroitmi.gov/news/sisterfriends-detroit-and-make-your-datetm-detroit-partnership-announced>

¹⁴ Id.

¹⁵ Id.

IV. Preferential Treatment

a. What is Preferential Treatment¹⁶

The OIG investigation focused on whether Mayor Duggan and/ or any City officials abused his/her/their authority by providing preferential treatment to MYD. Preferential treatment is defined as giving an advantage to a preferred person or group over everyone else.¹⁷ Preferential treatment by a public body is problematic, because it goes against the basic principles of openness, fairness, and transparency which are some of the hallmarks of good governance. It is the duty of all public servants to ensure that the citizens of Detroit receive the best services possible, especially when public resources are being allocated to it. In fact the Charter requires our government to institute “programs, services and activities addressing the needs of our community...whereby sound public objectives and decisions reflect citizen participation and collective desires.”¹⁸

b. Funding for MYD

i. LMCH Funding

MYD received a total of \$358,368 in grant funds from DHD. The funds were part of the allocation DHD received from the Michigan Department of Community Health (MDCH) Bureau of Family, Maternal and Child Health Local Maternal and Child Health (LMCH) grant program. The funds were administered through one of DHD’s grant administrators, Southeastern Michigan Health Association (SEMHA), which provides DHD with fiduciary services for several public health programs including LMCH.¹⁹

DHD receives LMCH funds from the State of Michigan each year. These funds support several DHD programs focused on “creating, implementing, and innovating with respect to policies, programs, and partnerships that create circumstances in which every mother, infant, and family has a chance at the healthiest possible life.”²⁰ Because MYD’s mission aligned with this purpose, they were eligible to receive LMCH funds. MYD received the following allocation of funds:

Date	Amount
September 1, 2015 to September 30, 2015	\$58,368
October 1, 2015 to September 30, 2016	\$200,000
October 1, 2016 to September 30, 2017	\$100,000

¹⁶ It is important to note that the OIG is not making a legal conclusion whether “preferential treatment” was provided to MYD. Rather, the OIG is making a finding based on facts gathered during its investigation.

¹⁷ <https://www.vocabulary.com/dictionary/preferential>

¹⁸ See, Preamble of the Charter.

¹⁹ Contract No. 6000468 between DHD and Southeastern Michigan Health Association.

²⁰ Id.

Initially, SEMHA, as the grant administrator for DHD, was going to enter into an agreement with WSU- MYD from October 1, 2014 to September 30, 2015 for \$200,000. However, an agreement was not fully executed until September 15, 2015. Therefore, the first agreement was reduced to \$58,368 because a contract must be in place for funds to be administered pursuant to LMCH grant requirements.²¹

MYD's scope for the LMCH funds included leading health education efforts around prenatal healthcare and preterm birth risk reduction, publicizing MYD events and health information to women at-risk of delivering preterm, and monitoring and reporting data about program deliverables and health outcomes for MYD participants. To achieve these goals, MYD used the funds for personnel, supplies, and other expenses including advertising and participant incentives.²²

Yolanda Hill-Ashford, DHD Director of Family and Community Health, stated that MYD was scheduled to receive LMCH dollars from the 2018 to 2019 round of funding.²³ However, on December 15, 2017, MYD representative Marisa Galuppi Rodriguez stated in an email that MYD was no longer interested in receiving LMCH funds.²⁴ Later that same day, Ms. Hill-Ashford emailed Dr. Khaldun to ask why MYD no longer wanted to receive the grant funds. Dr. Khaldun responded "Not a surprise- recall Sonia [Hassan] mentioned they were looking for other options. Also the Mayor's office is helping them to fundraise- we can talk in person."

ii. Introduction of ODG to MYD

In addition to receiving LMCH funding, ODG staff were instructed to assist MYD in raising funds. On August 10, 2017, Alexis Wiley, Chief of Staff, sent an email to Dr. Hassan and copied ODG Chief Development Officer Ryan Friedrichs and Marisa Galuppi Rodriguez regarding Make Your Date Fundraising. It stated "I'd like to introduce you to Ryan Friedrichs. He is our chief development officer and the Mayor has tasked him with launching a large scale fundraising effort to Make Your Date. He'll be in touch soon! Have a great weekend!"

Mr. Friedrichs responded to Dr. Hassan later that day with an email which states "I am looping in Ms. Brandi Shelton on my team to find a time for us to meet in the Mayor's Office or talk by phone, whatever you would prefer. I will also bring all three of our lead Development Officers to the discussion, who respectively focus on public grants, philanthropic grants and corporate fundraising."

Ms. Wiley made the initial introduction between Dr. Hassan and Mr. Friedrichs after attending a meeting with Mr. Friedrichs and Mayor Duggan. At that time, SFD, which was preparing to partner with MYD, had received a \$2 million grant from the Ralph Wilson Foundation. Ms. Wiley stated that for MYD and SFD to "be able to scale together, there needed

²¹ An analysis as to why there was a lengthy delay may be found in ANALYSIS SECTION.

²² Contract No. 6000468, pg. 8-12.

²³ Yolanda Hill-Ashford Interview, August 7, 2019.

²⁴ Email from Marisa Galuppi Rodriguez to Yolanda Hill-Ashford, Joneigh Khaldun, Tammy McCrory, Sonia Hassan, and Jennifer Hurand regarding MYD Revised SOS-FY17 dated December 15, 2017.

to be more funding so that we could better serve the women in the city.²⁵” The SFD and MYD partnership was officially introduced a week later in mid-August.

iii. Transportation/ Lyft

In early 2017, the Mayor made funding transportation for pregnant women enrolled in MYD and/or SFD a priority because it was a barrier to participants attending events and appointments. He explored a relationship with Lyft and General Motors to assist pregnant women to get to their appointments using Lyft services at a discounted rate. The plan was to have MYD and SFD serve as “gatekeepers” or the coordinators for booking “Baby Lyft” rides. However, the deal was never finalized and other options had to be considered.²⁶

Therefore, in August 2017, MYD became a Mayoral Priority. Mr. Friedrichs explained that once something becomes a Mayoral Priority it appears on the Mayor’s priority list. ODG is then tasked with putting together a budget, scope, and timeline to achieve the stated priority.²⁷ Items appear on the priority list at the suggestion of a department director or at the direction of Mayor Duggan. MYD was put on the priority list, at the Mayor’s direction, which prompted Ms. Wiley’s email introduction of Mr. Friedrichs and Dr. Hassan.²⁸

MYD and/or SFD appeared on the *Mayoral Ranked Departmental Grant Priorities* list on the following dates:

- February 2017- SisterFriends \$800,000
- April 2017- SisterFriends \$800,000
- September 22, 2017- SisterFriends/ Make Your Date \$690,000
- October 26, 2017- SisterFriends/ Make Your Date \$930,000
- November 28, 2017- SisterFriends/ Make Your Date \$930,000
- December 19, 2017- SisterFriends/ Make Your Date \$930,000
- February 6, 2018- SisterFriends/ Make Your Date \$930,000

ODG’s fundraising efforts for SFD/ MYD began around the time SFD was launched with MYD as its clinical component. The funding efforts were primarily focused on transportation. Mr. Friedrichs stated that he worked with DHD in an attempt to secure transportation funding for both programs.

On February 6, 2018, an *External Funding Priority Closeout Sheet* was completed regarding “SisterFriends/ Make Your Date Transportation Support.” It stated that “[f]ull funding support secured through City annual budgeting process for FY19 Budget, per Deputy Chief Operating Officer Katie Hammer.” It estimated that \$930,000 was needed from the DHD budget to provide “[t]ransportation support in the form of free or low-cost access to ride-share programs and other transportation options suitable to expectant mothers and mothers of infants.” Mr. Friedrichs noted that it is not uncommon for the Chief Financial Officer to step in and provide

²⁵ Alexis Wiley Interview, August 19, 2019.

²⁶ Mayor Duggan Interview, August 20, 2019.

²⁷ Ryan Friedrichs Interview, June 4, 2019.

²⁸ Alexis Wiley Interview, August 19, 2019.

funding for mayoral priorities. He stated that other programs, including Ceasefire Detroit,²⁹ use a portion of city funds.³⁰

The initial \$930,000 cost estimate was based on the following assumptions:³¹

Program	SFD/ MYD	MYD Only	Total
Rides/ Participant	56	24	80
Cost/ Participant	\$784	\$336	\$1,120
# of Participants	500	1600	2100
Total Cost	\$392,000	\$537,600	\$929,600

However, a more thorough estimate was later completed by DHD to determine the actual amount of money needed to fund transportation. DHD determined that \$225,000 per year would likely cover the cost of rides for all pregnant mothers enrolled in SFD and/or MYD.³²

On February 22, 2018, a Request for Proposals (RFP) 18PC1722 was issued for “Transportation Services for Detroit Health Department Programs.” Proposals were sought for qualified firms to provide transportation to City of Detroit residents who participate in select DHD programs. Transportation was to be provided to and from DHD-approved health and human services appointments as well as approved DHD and partner program activities. Five (5) companies responded to the RFP and received the following final scores:³³

Company	Lyft	Round Trip	Trans Dev	Moe	Trinity
Final Score	52.5	50	43.75	0	16.25

Lyft was awarded a two (2) year contract after the company received the highest evaluation score. The contract is funded through the City of Detroit’s general fund. SFD and MYD have separate Lyft accounts which are used to order rides for program participants. Regardless of which program orders the rides, Lyft is paid by DHD.³⁴

The OIG was unable to obtain a cost breakdown of how much in general funds was paid to Lyft for MYD participants only. Shirley Gray, SFD Program Manager, explained that making this determination would be a large undertaking. The SFD team would be required to cross reference every ride and compare that information with DHD’s assessments to discern whether

²⁹ CeaseFire Detroit is a crime prevention strategy. It uses “national best practices for outreach and operates with the belief that overall quality of life for Detroiters will improve and violence reduction will occur through community outreach and collaboration.” <https://www.ceasefiredetroit.com/who-we-are>

³⁰ Ryan Friedrichs Interview, June 4, 2019.

³¹ Documentation provided by DHD.

³² Email from David Yeh, Director of Special Projects to Rasaan Ewell, Pamela Crump, Twanisha Glass, Timothy Lawther, Angela Taylor, Felishia Brown, and Joseph Mutebi re: Client Transportation Requisition 448376 with RFP in WORD Format dated February 19, 2018.

³³ The Evaluation Team consisted of DHD Director of Special Programs David Yeh, Office of Contracting and Procurement (OCP) Specialist Pamela L. Crump, and OCP Facilitator Donald G. Bryant.

³⁴ Email from Jean Ingersoll to Jennifer Bentley re: OIG Transportation Follow-up Questions, dated August 26, 2019.

the ride occurred when an individual is dually-enrolled or enrolled in MYD only.³⁵ Therefore, the OIG did not pursue accounting details as it is not as important as the fact that general funds were provided to those enrolled in MYD.

Between August 2017 and April 2019, program participants enrolled in either SFD or MYD completed 7,353 rides for a total cost of \$127,301.65.³⁶ In August 2018, DHD began tracking rides based on which program request it. The breakdown between August 2018 and April 2019 is as follows:³⁷

	Total Rides Completed	Total Cost
MYD	1896	\$19,007.44
SFD	2209	\$33,956.23

DHD has budgeted the following for Lyft rides and bus tickets³⁸ going forward using general fund money.

Budget Year	Total³⁹
2019-2020	\$325,000
2020-2021	\$341,250
2021-2022	\$358,313

c. Use of Other City and Non-City Resources in Support of MYD

Several public servants provided services and resources to MYD that were not merely financial. These City employees provided their time and talents to MYD. For example, Monique Phillips, ODG Fund Development Officer, stated that MYD was one of her first priorities when she started at ODG in July 2017. She spoke with MYD representatives Marisa Galuppi Rodriguez and Janine Bieda, as well as WSU employee Susan Miller bi-weekly, either in person or over the phone, to discuss funding. She explained that the City of Detroit acted as MYD's fundraising group and MYD was the one that set the meetings and times. Ms. Phillips attempted to raise funds from the Children's Foundation of Michigan, the Skillman Foundation, and the Carls Foundation by assisting MYD with outreach and proposals. Only the Carls Foundation awarded MYD with a grant.

Specifically, in early 2018, Ms. Phillips was asked by MYD/ WSU representatives to assist MYD in building a relationship with the Carls Foundation. Ms. Phillips researched and found where MYD and the Carls Foundation priorities aligned. She then made an email introduction between the two agencies. She also made comments and edits to the proposal that

³⁵ Email from Jean Ingersoll to Jennifer Bentley regarding SFD Metric August.xlsx dated September 18, 2019.

³⁶ In an email dated August 29, 2019, Jean Ingersoll, then acting DHD Director explained that, prior to Lyft's City contract, Lyft provided rides to SFD and MYD participants through a grant from the United Way of Southeastern Michigan which was administered by SEMHA.

³⁷ SisterFriends Metric Report for April 2019.

³⁸ Bus tickets account for about 8% of the transportation budget. Additionally, rides may be accessed for iDecide participants. Between January 2019 and April 2019, iDecide participants completed 28 rides at a cost of \$461.48 according to the SFD Metric Report for April 2019.

³⁹ Approximately \$25,000 of the \$325,000 is allocated for bus tickets.

was submitted by MYD to the Carls Foundation. Ms. Phillips opined that a call from the City of Detroit, which most people would assume is a request from the Mayor, holds more weight than if the non-profit merely reached out on its own. In fact, Ms. Phillips stated she was informed by someone at the Carls Foundation that, if not for the City's ask, MYD would not have received funding.⁴⁰

Ms. Phillips continued to assist MYD with fundraising until July or August of 2018, when the task was reassigned to Claire Huttenlocher, also a Fund Development Officer for ODG. Ms. Huttenlocher stated she continued Ms. Phillips efforts to help MYD raise funds. Ms. Huttenlocher had monthly check-ins with Ms. Rodriguez and Ms. Miller, though she stated they were not very responsive. Her efforts were limited to assisting MYD secure funding from the Children's Foundation of Michigan as well as the Robert Wood Johnson Foundation (RWJF). Ms. Huttenlocher's involvement with attempting to obtain funds from RWJF was limited to reviewing MYD's application. However, she was not successful in securing any funding from RWJF.⁴¹ Ms. Huttenlocher stopped communicating with MYD on February 7, 2019 at the request of her supervisor, Deputy Chief Development Officer Sirene Abou-Chakra.

DHD employees also spent a lot of time and effort on MYD. All levels of DHD employees from the Director to Program Managers assisted with the SFD and MYD partnership.⁴² According to email, DHD staff was required to pull together metrics and other data, which included reporting the number of SFD referrals to MYD, for weekly mayor status updates, bi-weekly meetings with Ms. Wiley, and monthly meetings with Mayor Duggan. The OIG investigation found that DHD staff spent considerable time reconciling discrepancies between SFD and MYD data as well as working to ensure a successful partnership.

Ms. Wiley also had considerable involvement with MYD. She was a "communications resource" for MYD when its partnership with the City of Detroit began in 2014. That role evolved after MYD partnered with SFD. She helped them work together to amplify the impact of the organizations' work with pregnant women. Ms. Wiley explained that the partnership was a "Mayoral decision," therefore this initiative naturally fell within her scope of responsibilities, which include leading many of the Mayor's key initiatives. Ms. Wiley also attended bi-weekly meetings with representatives from MYD and SFD to discuss how the programs were working together and to gauge how many women were being serviced.⁴³

d. Other Mayoral Priorities

ODG meets regularly with department directors to determine their priorities and funding status, which includes any gaps in funding. Before ODG assists departments with raising additional funds, the department priorities are presented to the Mayor and his executive leadership team. Meeting attendees typically include Alexis Wiley and Dave Massaron⁴⁴ as well

⁴⁰ Monique Phillips Interview, May 29, 2019.

⁴¹ Claire Huttenlocher Interview, May 23, 2019.

⁴² DHD has had considerable turnover with those involved with the SFD and MYD partnership. Those involved include, but are not limited to, Abdul El-Sayed, Joneigh Khaldun, Tammy McCrory, Leseliey Rose Welch, Deborah Whiting, Yolanda Hill-Ashford, Tamekia Ashford, Shirley Gray, and David Yeh.

⁴³ Alexis Wiley Interview, August 19, 2019.

⁴⁴ Dave Massaron stopped attending these meetings when he became the City of Detroit's CFO.

as ODG leadership consisting of Katerli Bounds,⁴⁵ Sirene Abou-Chakra, and Ryan Friedrichs. Department directors attend when invited.⁴⁶ Because there is a limited amount of money available, ODG seeks approval from the Mayor before any fundraising efforts are initiated to ensure that the directors' priorities align with the mayoral priorities.⁴⁷

Priorities are also determined directly by the Mayor. Major initiatives, such as Strategic Neighborhoods, Census, and Goal Line, come directly from Mayor Duggan. Ms. Abou-Chakra estimated that 40% to 50% of the initiatives come directly from the Mayor. ODG focuses most on these priorities.⁴⁸ Mayor Duggan also has the final say regarding funding priorities so he can move around or change anything as needed.⁴⁹

Mayor Duggan stated that he has the same level of involvement with other initiatives as he does with MYD. He gave the examples of the Detroit Opera House, Grow Detroit's Young Talent (GDYT), the Charles Wright Museum, the Boy Scouts, the Boys and Girls Club, and Goal Line. The Mayor stated that a huge part of his job is determining what charitable causes would add value to the City and then support them. Mayor Duggan stated that he spent much more time on GDYT than he did on MYD. He said that he spent a "minimal amount" of time on MYD compared to other initiatives.⁵⁰ Ms. Wiley concurred during her interview with the OIG. She also cited Mayor Duggan's involvement with GDYT and Goal Line as examples.⁵¹

Mr. Friedrichs also indicated that Mayor Duggan and his executive leadership team are active with other initiatives and have directed similar fundraising efforts.⁵² In an email dated April 6, 2019, Mr. Friedrichs provided John Roach⁵³ with other initiatives ODG raised funds for that he felt was analogous to MYD. The email provided the following examples:

- On June 11, 2015, Alexis Wiley forwarded Mia Cupp's, Wayne Metro Director of Development & Communications, email to Ryan Friedrichs, Elizabeth Palazzola from COD as well as Jerome Drain and Louis Piszker from Wayne Metro. It stated "I'll introduce you to Ryan right now! He's fantastic! Hope you both have a chance to connect soon!" This was in response to Ms. Cupp's email which stated, in part, "I'd like to ask for guidance on how to make contact with Ryan Friedrichs the new CDO for the City. It would be so great to share some of the stuff we are working on as well as to discuss some potential collaboration." Ms. Cupp hoped to partner with Mr. Friedrichs on WRAP (Water Rental Assistance Program) for renters as well as other collaborations.
- On May 9, 2017, Mr. Friedrichs received an email stating that the Michigan Black Chamber of Commerce (MBCC) was holding grants for "Untold Stories" initiative to lift up more stories of Detroit neighborhood businesses. It stated that the "990 from the

⁴⁵ Katerli Bounds is the ODG Director of Grants.

⁴⁶ Ryan Friedrichs Interview, June 4, 2019.

⁴⁷ Sirene Abou-Chakra Interview, June 4, 2019.

⁴⁸ Id.

⁴⁹ Ryan Friedrichs Interview, June 4, 2019.

⁵⁰ Mayor Duggan Interview, August 20, 2019.

⁵¹ Alexis Wiley Interview, August 19, 2019.

⁵² Ryan Friedrichs Interview, June 4, 2019.

⁵³ Mayor's Spokesperson.

MBCC is from 2015, but is good to go and covers them to be a fiscal sponsor for this project.”

- On September 15, 2016, Ryan Friedrichs emailed Alexis Wiley stating that “Skillman came through with the \$25,000 match Carnegie asked us to get for part of their grant supporting Municipal ID...” Mr. Friedrichs reported directly to Ms. Wiley on Detroit’s Municipal ID program in partnership with Global Detroit and others, which was being funded with a grant to SEMHA.
- On November 18, 2016, Alexis Wiley introduced Ryan Friedrichs via email to the General Motors Senior Vice President for partnership on workforce training. It stated “I wanted to introduce you to our Chief Development Officer Ryan Friedrichs. He works for Mayor Duggan and manages our philanthropic partnerships and he’s looking to work more closely with the GM Foundation and understand the foundation’s strategy going forward.”
- Alexis Wiley “built the bridge” to United Way to support the Industrial Sewing and Innovation Center and Design Core Detroit via Detroit Regional Workforce Fund grant.
- Alexis Wiley and team successfully raised funds together for the preservation of Dr. Ossian Sweet’s historic home via the Neighborhood Stabilization Program’s African American Civil Rights Grants competition.
- On September 11, 2015, Alexis Wiley linked Ryan Friedrichs with the CEO of Detroit PAL to help lead fundraising effort for the “Goal Detroit” soccer league.
- On July 12, 2017, Alexis Wiley linked Ryan Friedrichs with David McGhee at Skillman Foundation to get a grant to fund the non-profit Playworks to train the staff who will be running the City of Detroit’s Summer Fun Centers.
- Alexis Wiley wrote all major foundations in the City of Detroit saying they’ve raised \$3.8 million, half of their goal for GDYT for City Connect/ Connect Detroit and Detroit Economic Solutions Corporation.⁵⁴

In addition to the above examples, ODG has raised funds for numerous projects ranging from \$5,000 to \$32,606,264.15. Attached to this report is a chart created by ODG which summarizes the projects, awards, and work put into fundraising by their office. Based on the OIG review of the record, it is evident that ODG raises funds for other agencies and non-profits to support mayoral initiatives and that significant time and effort have been invested in some of these projects.

However, certain aspects of the City of Detroit’s relationship with MYD are unique. MYD was created at the direction of Mayor Duggan whereas most, if not all, of the City’s other partners were already established with a proven track record. Additionally, the OIG

⁵⁴ Email from Ryan Friedrichs to John Roach dated April 6, 2019 with the subject of “follow-ups+.”

investigation revealed that MYD received an inordinate amount of City time and resources, considering the fundraising goals and scope of work when compared against other projects of similar size and scope.⁵⁵ Some of the additional time required by City staff was due to the unresponsiveness of those involved with MYD.

Further, there is no established process by which partner agencies are selected to work with the City of Detroit and obtain fundraising assistance from the City. Therefore, going forward, we recommend Mayoral Priorities should be funded in fair, open, and transparent process to ensure that funds are spent wisely, efficiently, and effectively.

e. No Conflict of Interest per City Charter

It has been alleged that Mayor Duggan had a relationship with Dr. Hassan and was thus in violation of the City's Ethics Ordinance for not disclosing it. While such allegations would generally go to the Board of Ethics, we are addressing this issue in the context of abuse of authority, for which the OIG does have jurisdiction.

The City's ordinance only requires a public servant who exercises significant authority⁵⁶ over a pending matter to disclose any financial interest. *Section 2-6-31 Disclosure of Interests by Public Servants* states:

- (a) Except as otherwise provided by applicable law, a public servant who exercises significant authority over a pending matter shall disclose:
 - (1) Any financial interest, direct or indirect, that he or she or an immediate family member has in any contract or matter pending before City Council;
 - (2) Any financial interest, direct or indirect, that he or she or an immediate family member has in any contract or matter pending before or within any office, department or agency of the City; and
 - (3) Any interest that he or she, or an immediate family member has in real or personal property that is subject to a decision by the City regarding purchase, sale, lease, zoning, improvement, special designation tax assessment or abatement or a development agreement.
- (b) All disclosures that are required under Subsection (a) of this section shall be made, in writing, on a form that is created by the Law Department and sworn to in the presence of a notary public. After completion, the form shall be filed with the Board of

⁵⁵ See the attached chart created by ODG.

⁵⁶ *Exercises significant authority* means having the ability to influence the outcome of a decision on behalf of the City government in the course of the performance of a public servant's duties and responsibilities.

Ethics, which shall forward a complete copy of the form to the applicable department director or agency head.

The ordinance also states that the purpose of applying and enforcing disclosure requirements and standards is to “ensure that governmental decisions are made in the public’s best interest by prohibiting public servants from participating in matters that affect their personal or financial interests.⁵⁷” However, it should be noted that the disclosure requirements focus on the financial interests of public servants.

Under the City’s ordinance, a public servant is only required to disclose a personal relationship if that person is the public servant’s “spouse, domestic partner, individual who lives in the Public Servant’s household or an individual claimed by a Public Servant or a Public Servant’s spouse as a dependent under the United States Internal Revenue Code at 26 USC 1.⁵⁸” Consequently, the OIG did not investigate the nature of any relationship between Mayor Duggan and Dr. Hassan. Moreover, as previously stated, for purposes of the OIG investigation, the relationship, if any, is not relevant.

f. Analysis

Mayor Duggan prioritized reducing the rate of preterm birth and infant mortality in the City of Detroit at the start of his first term as the Mayor. He provided MYD with many City resources including funding and the assistance of City employees. Mayor Duggan’s support continued when he directed SFD and MYD to form a partnership to assist pregnant women in the City’s effort to reduce infant mortality. Based on the evidence gathered by the OIG, we conclude MYD did receive preferential treatment as a Mayoral Priority.

i. Creation of MYD as a City Partner

Mayor Duggan’s transition team, which operated in November and December 2013, consisted of 12 committees. The committees produced approximately 18 departmental reports which included descriptions of key issues, recommended strategies for program improvements and organizational structures, and 100 day action plans. Then DHD Director Vernice Anthony and Dr. Hassan co-chaired the health care transition committee. Members of the committee were unpaid, volunteer positions.⁵⁹

⁵⁷ City of Detroit Ethics Ordinance 2012, Article V. Ethics, Division 1. Generally, Section 2-5-1. Statement of Purpose. Commentary for this section states “The integrity of City government and public trust and confidence in public officers and employees require that public servants be independent, impartial and responsible to the People; that government decisions and policy be made within the proper channels of the governmental system; and that public servants be prohibited from participating in matters that affect their personal or financial interests. The purpose of this article is to establish guidelines for ethical standards of conduct for all City government officials and employees by defining those acts or actions that are incompatible with the best interests of the City and by mandating disclosure by public servants of private financial or other interests in matters affecting the City.”

⁵⁸ 2012 City of Detroit Charter, Sec. 2-105. Definitions and Rules of Construction: Immediate family member.

⁵⁹ Transition Committee Chairs dated December 2, 2013 and Supplemental Documents for Inspector General from the Mayor’s Office provided on August 29, 2019.

The report produced by Ms. Anthony and Dr. Hassan called for the establishment of a “city-wide policy of regular implementation of evidence-based strategies to reduce the rate of pre-term birth and thus affect the rate of infant mortality.”⁶⁰ The report recommended that Mayor Duggan “create a uniform City-Wide Preterm Birth Reduction Plan through partnerships with hospitals, universities, and other programs. Designate pilot site for implementation of the Preterm Birth Reduction Plan.”⁶¹

On February 27, 2014, MYD was announced during Mayor Duggan’s first State of the City Address. According to the Mayor’s Office, an “unprecedented coalition came together to implement [the Pre-term Birth Reduction Plan] recommendation, combining the efforts of Wayne State University and Yale University, the National Institute of Health, major philanthropic organizations, and several health care and medical organizations.”⁶²

Initially, Dr. Hassan was to form a non-profit, raise money, and implement the evidence-based strategies with the goal of reducing the rate of pre-term birth and infant mortality. However, in mid-2014, Mayor Duggan was informed that it would be a year before the non-profit would be certified. Therefore, it was decided that MYD would be managed as a Wayne State program.⁶³ On May 15, 2014, MYD officially began enrolling pregnant women to its program.

The Mayor’s Office issued a press release on April 4, 2019. It stated that “no city funds were ever provided to Make Your Date non-profit and no private money was ever raised for it. Every dollar of city funds went directly to Wayne State University.” Ms. Wiley also made this distinction in an April 2, 2019 email which stated, in part,

City staff briefly collaborated with the Wayne State philanthropy department to try to raise funds for the Wayne State program, but those efforts were unsuccessful and no funds were raised. At no time did anyone from the city participate in any fundraising effort for Make Your Date nonprofit- all efforts were a direct collaboration with university staff for the university-run program.⁶⁴

However, this is a distinction without a purpose. Though City funds were paid to WSU, it was with the understanding that it would be used solely for MYD, regardless if MYD is characterized as non-profit or WSU program. This, in part, is evidenced by a Memorandum of Understanding (MOU) between DHD⁶⁵ and WSU dated August 28, 2015. The MOU set forth the “understanding that each party desires to finalize contract negotiations for [DHD] to fund select program activities for WSU’s Make Your Date program activities.” Additionally, emails regarding ODG’s fundraising efforts for MYD included not just WSU staff but also MYD representatives. Therefore, though City of Detroit funds may have initially flowed to WSU, the

⁶⁰ Department of Health Transition Report, undated.

⁶¹ Id.

⁶² *Supplemental Documents for Inspector General* from the Mayor’s Office provided on August 29, 2019.

⁶³ Mayor Duggan Interview, August 20, 2019.

⁶⁴ Email from Alexis Wiley to Joe Guillen dated April 2, 2019 re: voicemail.

⁶⁵ In August of 2015, the Detroit Health Department was known as the Detroit Department of Health and Wellness Promotion as stated in this MOU.

money was undisputedly designated for MYD. Based on the evidence gathered by the OIG, to suggest otherwise would be simply inaccurate.

ii. Other Non-Profits and Programs Not Considered

Other previously established non-profits and programs were not considered by Mayor Duggan to lead the fight against infant mortality. Mayor Duggan stated that his experience as CEO of DMC allowed him to become familiar with infant mortality and preterm births rates in the City of Detroit as well as with research programs within the DMC, specifically the National Institutes of Health (NIH) Perinatology Research Branch (PRB). Therefore, following his election, Mayor Duggan made it a priority to create an initiative to address infant mortality. He asked Dr. Hassan, who was the project site manager for the PRB in addition to being the co-chair for the health care transition committee, to assist with this task. She presented a plan to address infant mortality by disseminating the NIH PRB's research to the pregnant women of Detroit which led to the creation of MYD.⁶⁶

Mayor Duggan unilaterally selected MYD to partner with the City of Detroit to address pre-term birth and infant mortality. It is indisputable that Mayor Duggan's nine (9) years of experience at DMC put him in a position to have a good understanding of the successes and failures of similar programs which he encountered while at DMC. However, there may have been additional programs he did not have personal knowledge of.

Because City time, resources, and funding was used in part for this program, other non-profits should have been considered to effectuate the Mayor's initiative. A formal process should have been undertaken in which non-profits and other programs could submit their qualifications and proposals for consideration. These proposals should have been evaluated and the best program selected, which may very well have been MYD. As the head of the City of Detroit, the Mayor has a responsibility to select partners in a fair, open, and transparent manner since City resources were put into this initiative.

iii. City of Detroit Funding Efforts for MYD

Mayor Duggan explained that WSU expressed concerns that SFD participants would exceed the capacity of the MYD representatives after SFD received a \$2 million grant in 2017. Therefore, he made the decision to assist WSU in raising money so that MYD could increase its staffing to keep up with the demands of new SFD participants. However, when it was determined that SFD enrollment was not drastically increasing, WSU decided to do its own fundraising for MYD.⁶⁷

According to Ms. Wiley, "[n]o city funds were ever provided to Make Your Date non-profit and no private money was ever raised for it."⁶⁸ However, the OIG investigation revealed that these statements are largely inaccurate. ODG staff worked with both WSU and MYD representatives on fundraising efforts. According to ODG staff emails, the collaboration began

⁶⁶ Mayor Duggan Interview, August 20, 2019.

⁶⁷ Id.

⁶⁸ April 4, 2019 Press Release from the Mayor's Office.

in August 2017 and continued until November 2019. This partnership lasted over two years, suggesting that ODG staff and WSU/ MYD representatives more than “briefly collaborated.” Additionally, ODG efforts were successful in that MYD was awarded a grant from the Carls Foundation, an award that MYD would not have received if not for the City’s ask.⁶⁹

Further, City of Detroit general funds were allocated and used for transportation for expectant mothers who are enrolled in either MYD or SFD or both. Mayor Duggan stated transportation was an important issue which he tasked then DHD Director Joneigh Khaldun with solving. DHD implemented a Lyft program to provide transportation so that women can go to and from their doctors’ appointments.

Mayor Duggan stated that he was more concerned about pregnant women getting to their appointments than how the expense would be allocated between MYD and SFD.⁷⁰ According to DHD, the department pays Lyft directly for all rides, including those given to MYD participants only through the use of general funds. Therefore, though MYD does not directly receive general fund dollars, these funds are used to fund a program that, in part, benefits MYD participants who are not involved in a city program.

Shirley Gray, SFD Program Manager, is responsible for the overall operation and management of SFD. Ms. Gray stated that the transportation aspect of SFD and MYD is different than what she normally sees. She explained that program participants do not typically receive transportation. However, she has only been with DHD since July 2018 and she did not believe MYD received preferential treatment “with the exception to transportation.” She clarified that it may not be preferential treatment but it was different from other initiatives.⁷¹

iv. Lack of Fair and Transparent Selection Process

There are no policies or procedures that dictate the selection of mayoral initiatives or priorities. As the head of the executive branch of City government, the Charter provides a wide latitude for the Mayor to implement programs, services, and activities. However, when City resources and funds are directed in initiating and implementing the program, it necessitates a greater level of scrutiny. Therefore, any agency that is selected to receive City resources and funds should go through a process to confirm that it is the best agency for the job and best use of taxpayer resources. Those allocating funds have a duty to ensure that they are being spent wisely, efficiently, and effectively. As such, Article IX of the Michigan Constitution requires accountability in the use of public funds.

The OIG investigation found that MYD was selected in a manner that did not follow any established procedures. The selection of MYD was based on Mayor Duggan’s prior knowledge and at the recommendation of his transition team, which included Dr. Hassan. While the Mayor was able to articulate his position in selecting MYD, because it appears no other agencies were considered to ensure that the best possible selection was made in his initiative to combat infant mortality, in the eyes of the public, MYD had unfair advantage over other organizations. DHD

⁶⁹ Monique Phillips Interview, May 29, 2019.

⁷⁰ Mayor Duggan Interview, August 20, 2019.

⁷¹ Shirley Gray Interview, August 7, 2019.

employees confirmed there were other organizations already in existence, prior to the creation and the selection of MYD that could have been paired with SFD.⁷² Therefore, to ensure a fair, open, and transparent process, there should be a process by which Mayoral Priorities are selected.

Based on the OIG's investigation and research, it is not best practice to select a non-profit or other program to receive City resources without some type of selection criteria and review. Best practice is generally defined as a "procedure that has been shown by research and experience to produce optimal results and that is established or proposed as a standard suitable for widespread adoption."⁷³ By not considering other agencies, it unnecessarily invited the appearance of an unfair process.

Other agencies have also been selected to partner with the City of Detroit on various mayoral initiatives. However, as stated above, there is no consistent, articulable process by which partner agencies are selected to work with the City of Detroit and receive fundraising assistance. This is not best practice, as all City employees, including elected officials, have a responsibility to ensure that City time and resources are expended wisely, efficiently, and effectively through a transparent process.

Other non-profits or programs were not given the chance to present a plan to Mayor Duggan on how they would address infant mortality. Instead, the Mayor simply tasked Dr. Hassan, as a member of the mayoral transition team, to develop a plan to address the issue. Mayor Duggan stated that MYD was what he logically believed would work after "seeing everything else" during his time as CEO of DMC.⁷⁴ Mayor Duggan's belief may be accurate but this was not verified in an open process. If he had followed a transparent and articulable process to make this important selection, there would be no doubt about the accuracy of his assertion.

All public servants have a responsibility to follow established processes meant to ensure a transparent, open, and fair process when using City resources and funds. No City of Detroit policy directly addresses the selection of a non-profit to partner with for Mayoral Priorities or other city initiatives. However, there are established procedures that must be followed when both City of Detroit general funds and grant funds are being used to pay for services. The City of Detroit Office of Contracting and Procurement's (OCP) *General Conditions Procurement Policy* and its *Standard Operating Procedure (SOP) Manual* provides guidance to City departments that need to secure goods and/or services.⁷⁵ These policies and procedures mainly focus on the competitive bid process and the sole source non-competitive purchase process.

⁷² The OIG did not analyze the other organizations and their ability to provide similar services to MYD. The OIG is not an expert in this area and is, therefore, not qualified to do so. The OIG relied on the expertise of DHD employees. It should be noted that if MYD was selected through an articulable process, open to other such agencies, this would not be at issue in this instance.

⁷³ <http://www.merriam-webster.com/dictionary/best%20practice>

⁷⁴ Mayor Duggan Interview, August 20, 2019.

⁷⁵ These procurement policies pertain only to City of Detroit departments and do not extend to quasi-government agencies such as the DLBA and DBA.

In this instance, OCP's policies and procedures are instructive because City of Detroit general funds, grant funds, and other resources were provided to MYD. Therefore, the City essentially purchased MYD's services. OCP's policies and procedures seek to maintain processes that support principles that include supplier competition and purchases that are made based on the highest standards of ethics and integrity.⁷⁶ The *General Conditions Procurement Policy* states that procurement for the City of Detroit shall be "carried out in a manner which provides a transparent, open, and fair opportunity to all eligible bidders to participate."⁷⁷

The City of Detroit's *SOP Manual* states that a citywide understanding of appropriate behavior protects the integrity of the purchasing process. It identifies the following four standards that must be upheld by the departments and staff:

- (1) **Responsibility** – taking ownership for decisions that are made or failed to be made, and the consequences that result;
- (2) **Respect** – showing a high regard for oneself, the department, and resources entrusted to it and supporting an environment where diverse perspectives and views are encouraged and valued;
- (3) **Fairness** – the requesting department has a duty to make fair decisions and act impartially and objectively in order to make ethical and cost effective purchases; and
- (4) **Honesty** – acting in a truthful manner both in conduct and communications.⁷⁸

Additionally, OCP identifies market research as an essential step in making informed procurement decisions in its *SOP Manual*. It allows flexibility in the type of approach to be used to perform this research, but the process should help in gaining expertise in the market before making a selection.⁷⁹ Following this process would ensure that the City of Detroit partners with the best agency or agencies to provide services to the citizens.

OCP is responsible for managing the bid process and ensuring a fair, competitive, and value-driven environment in which to purchase government goods and services. The City of Detroit must competitively bid all new contracts to the greatest extent possible.⁸⁰ This includes contracts funded with grant dollars. In such instances, ODG and the funding agency must be consulted regarding bid evaluation guidelines.⁸¹ These ideals should be incorporated into the

⁷⁶ City of Detroit SOP Manual (April 2016), Chapter 1: General Procurement Information, pg. 4.

⁷⁷ City of Detroit General Conditions, Revised April 7, 2017.

⁷⁸ City of Detroit SOP Manual (April 2016), Chapter 1 General Procurement Information, Section 1.2: Transparency and Ethics, pg. 9.

⁷⁹ Federal Acquisition Regulation, Part 10, March 2005.

⁸⁰ <https://www.acquisition.gov/sites/default/files/current/far/pdf/FAR.pdf> and City of Detroit SOP Manual, Chapter 2: Procurement Planning, A. Market Intelligence, pg. 7.

⁸¹ City of Detroit SOP Manual, Chapter 3: Making a Purchase, Section 3.5: Creating, Advertising, and Managing Solicitations, I. Managing the Solicitation, pg. 25.

⁸¹ City of Detroit SOP Manual, Chapter 3: Making a Purchase, Section 3.6: Receiving, Evaluating, and Selecting Bid Responses, pg. 29.

selection of a non-profit or agency that is selected to partner with the City of Detroit as it receives City resources.

Additionally, OCP also has guidelines for when a non-competitive purchase can be made. For example, in sole source procurements, the contract opportunity is not publicly advertised or competitively bid because only one source is capable of supplying the goods or services. The requesting department and OCP must substantiate that only one source can provide the goods and services and that the recommendation is in the best interest of the City of Detroit before developing the contract.⁸² However, in this instance, it is unlikely that MYD would have been eligible for such an exception. Based on the OIG investigation, there are other agencies that could have potentially provided similar services.

Despite providing resources to MYD, the City of Detroit entered into only one MOU with WSU. On August 28, 2015, DHD⁸³ and WSU entered into an MOU that set forth the “understanding that each party desires to finalize contract negotiations for [DHD] to fund select program activities for WSU’s Make Your Date program activities.” It called for contract negotiations to be completed before the end of September 2015 and it expired on September 30, 2015. An MOU is important because it is “documentation of a formal agreement between the City of Detroit and at least one other entity to establish a formal partnership. The MOU outlines the duties, responsibilities, program details, funding, and protections for both organizations in order to support a shared effort.”⁸⁴

Currently, there is no formal agreement between the City of Detroit, DHD, WSU, and MYD and there has not been such an agreement since September 30, 2015. It is important to note that WSU entered into an agreement with SEMHA for the \$358,368 of LMCH funds which specified how the money was to be spent. However, WSU and/or MYD has no agreement directly with the City of Detroit or DHD which details what services MYD must provide in exchange for Lyft funding or other City resources. Again, this is not best practice and gives the impression that MYD is not being held to the same standard as others that receive funding from the City.

It is not unique or uncommon that the City of Detroit is partnering with a non-profit. According to *Non-Profit Government Contracts and Grants; The State Agency Perspective* published by the Urban Institute Center on Non-Profits and Philanthropy,

Non-profit and government organizations have a long history of working together to address social issues and deliver publicly funded programs and services. They often share the same mission and goals and offer each other valuable resources. For instance, government agencies frequently allocate financial resources to non-profits through contracts and grants that help address local

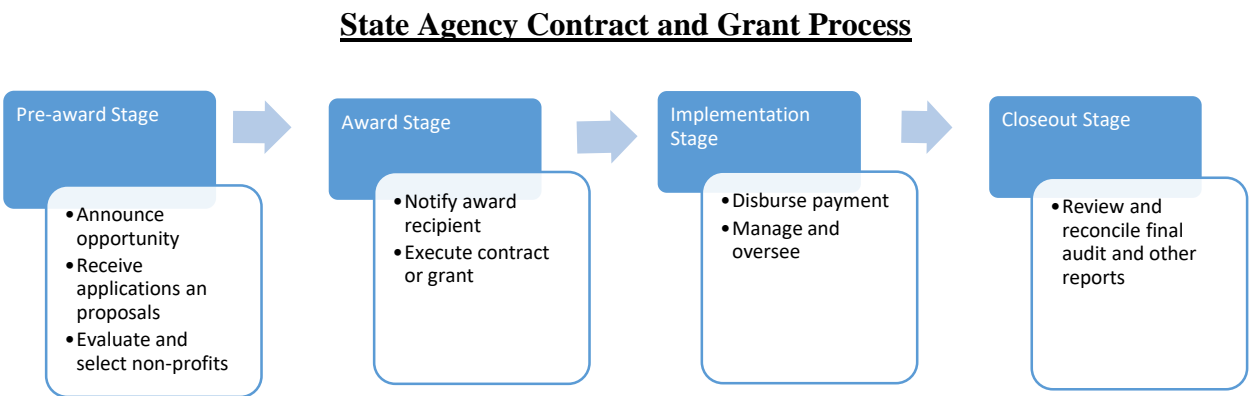
⁸² City of Detroit SOP Manual, Chapter 3: Making a Purchase, Section 3.8: Non-Competitive Purchases, pg. 38.

⁸³ In August of 2015, the Detroit Health Department was known as the Detroit Department of Health and Wellness Promotion as stated in this MOU.

⁸⁴ City of Detroit SOP Manual, Chapter 2: Procurement Planning, B. City of Detroit’s Purchasing Toolkit, xi. Memorandum of Understanding (MOU), pg. 22.

community needs, while non-profits tend to be more narrowly focused and allow government agencies greater flexibility and reach to address specific issues or target populations. Roughly one-third of non-profit budgets contain funding through government contracts and grants to deliver public programs and services.⁸⁵

This same report details best practices for city and non-profit partnerships. It states that the contract and grant processes generally involve four stages (pre-award, award, implementation, and closeout) and each stage entails distinct activities as shown below.⁸⁶ It is not uncommon for state agencies to have some variation in how their contract and grant processes are implemented but there is a process that is followed.⁸⁷



The report also explains that state agencies tend to have some discretion in how they review and select non-profits.⁸⁸ When asked how their agencies select non-profits for funding, most state agencies reported that each program has established evaluation criteria used by a review panel.⁸⁹ This is in sharp contrast to how MYD was selected. As stated above, MYD was selected by Mayor Duggan based on his knowledge and experience. This is not best practice given the fact that City resources were allocated to this mayoral priority. It gives the impression that MYD received preferential treatment since it was selected by Mayor Duggan and did not go through a competitive selection process.

⁸⁵ Research Report Non-Profit Government Contracts and Grants; The State Agency Perspective by Saunji D. Fyffe, October 2015. Urban Institute Center on Non-Profits and Philanthropy. pg. VI Executive Summary.

⁸⁶ Source: US Government Accountability Office.

⁸⁷ Research Report Non-Profit Government Contracts and Grants; The State Agency Perspective by Saunji D. Fyffe, October 2015. Urban Institute Center on Non-Profits and Philanthropy. pg. 12.

⁸⁸ **Description of Sample Agencies**

	Northeast	South	Midwest	West
Human services	1	3	1	2
Arts, culture, and humanities	1	1	1	1
Environment and animal	1	1	3	2

⁸⁹ Research Report Non-Profit Government Contracts and Grants; The State Agency Perspective by Saunji D. Fyffe, October 2015. Urban Institute Center on Non-Profits and Philanthropy. pg. 15.

Based on the evidence gathered, the OIG concludes that the selection of MYD lacked fairness, openness, and transparency. Though no specific policy exists for the selection of Mayoral Priorities, this process unnecessarily gave the impression that MYD was given preferential treatment. To ensure public trust, it is important that we, as a public body, have an open and transparent process in how we allocate City resources, including providing funds to non-profit organization.

Again, to be clear, there is no evidence that MYD misused funds or that it is not the best partner for the City of Detroit initiative to combat infant mortality. However, it is imperative that all city business is conducted in the most transparent way possible to ensure the public's confidence in the City's process in determining how to most wisely, efficiently, and effectively use city funds.

v. Issues with the Relationship between SFD and MYD

In late 2016, Yolanda Hill-Ashford, DHD Director of Family and Community Health and former SFD Program Manager, presented Birthing Project USA at a meeting attended by Mayor Duggan and other DHD staff. Birthing Project USA is a national program that seeks to “improve women’s health and birth outcomes through SisterFriending, education, community collaboration and capacity building.”⁹⁰ Mayor Duggan supported this idea and as a result established SFD.

Mayor Duggan was aware of complaints from expectant mothers regarding access to service and adequate training. Therefore, he thought SFD and MYD should partner to address these issues. Mayor Duggan contacted MYD and asked MYD to support SFD with their clinical education. After some discussion, the parties agreed that they would share referrals across programs. In August 2017, the partnership was announced.⁹¹ Ms. Hill-Ashford noted that the partnership was natural because MYD was clinical and SFD was a mentorship program.⁹²

David Yeh, DHD Director of Special Projects, stated during his interview with the OIG that just prior to launch of SFD, it was made clear that SFD and MYD should work together as a single unit. He specified that MYD focused on prenatal care only while SFD focused on both prenatal and postnatal care. Mr. Yeh stated that “we were to be presented as an integrated program, even if we were kind of separate legal entities... In terms of operations, it should be a seamless process. Everything from dual intake to weekly meetings...”⁹³

However, they did not operate as an integrated program with a seamless process. Even prior to the MYD and SFD partnership, DHD staff had difficulties working with MYD staff. The issues began when DHD gave MYD LMCH funds. Contract negotiations for the first round of funding took several months and an inordinate amount of time and effort from several DHD employees. Chelsea Harmell, former SEMHA/ DHD Maternal Child Health Program Manager,

⁹⁰ <https://www.birthingprojectusa.org/index.html>

⁹¹ Mayor Duggan Interview, August 20, 2019.

⁹² Yolanda-Hill Ashford Interview, August 7, 2019.

⁹³ David Yeh Interview, August 7, 2019.

began dealing with the contract issues in December 2014.⁹⁴ In an email dated May 12, 2015, she stated

negotiations have stalled over several budget line items (initially nearly half of the budget was dedicated to advertising), changing program staff, Dr. Hassan's lack of availability to meet over the phone or in person for months on end, and continued confusion on the DHWP side about whether the MYD program activities are serving the population at large or acting as clinical research. MYD's primary concerns relate to ownership of program materials and publications developed with proposed DHWP funds.⁹⁵

Similar issues occurred with subsequent rounds of LMCH funding. In addition, because LMCH funds are Title V Maternal Child Health Program block grant funds, they are subject to strict state and federal regulations. Therefore, detailed reporting is required from any subcontractor that receives any portion of this money, including MYD.⁹⁶ DHD staff had difficulties obtaining MYD's budget and justification and were therefore required to spend unnecessary extra time and effort to obtain the justification necessary to receive reimbursement for the LMCH funds.

SFD Strategic Planning Meeting Minutes stated that DHD had a "tumultuous relationship with [MYD] (Mayor mandated DHD to give MYD \$200,000 when they first began and we have trouble getting outcomes from their program.)⁹⁷" Ms. Hill-Ashford stated that she had difficulties getting the justification for the LMCH funds given to MYD. She said that talking to MYD representative Ms. Rodriguez about numbers was "like pulling teeth... They don't do things really in the spirit of partnership."⁹⁸

Mr. Yeh also noted tensions between SFD and MYD and questioned why MYD would be so closely integrated with the City of Detroit. He stated that he believed MYD received preferential treatment. Mr. Yeh said he understood why a health system organization would work with DHD, but does not think MYD was a strong enough organization to justify such a close link with the City. He also stated that "at the risk of going way out of lane, [MYD] became, in my view, more active and wanting to be closely involved after [DHD] got the \$2 million grant from [the Ralph] Wilson [Foundation]" in early 2017. He said that MYD "thought that they should be getting the funds rather than [DHD] because they were the high-profile, evidence-based, going-to-change-infant-mortality-for-the-City program."⁹⁹

Mayor Duggan and Ms. Wiley also acknowledged problems between SFD and MYD. Mayor Duggan stated that there was initial tension between the programs; however the program

⁹⁴ Chelsea Harmell was the SEMHA/ DHD Maternal Child Health Program Manager from December 2014 to November 2015.

⁹⁵ Email from Chelsea Harmell to Leseliey Rose Welch dated May 12, 2015.

⁹⁶ Email from Chelsea Harmell to Deborah Whiting and Barbara Cerda dated July 9, 2015.

⁹⁷ SisterFriends Strategic Planning 3.14.17 Meeting Minutes.

⁹⁸ Yolanda Hill-Ashford Interview, August 7, 2019.

⁹⁹ David Yeh Interview, August 7, 2019.

leads were able to get the programs working together to assist pregnant mothers.¹⁰⁰ Ms. Wiley stated that there were “a lot of personality issues” and SFD and MYD “did not seem to like each other much.” While the SFD and MYD’s partnership continued, Ms. Wiley decided to stop attending the bi-weekly meetings with them in the spring of 2018. She stated “it was clear the relationship between DHD and MYD...it didn’t feel like it was getting better to me. I did not want to keep working with them.” Ms. Wiley stated that her issues with continuing her involvement “had more to do with internal city stuff than it did with MYD.” When asked for clarification, Ms. Wiley merely stated that there were” personality issues in terms of working with DHD.” She added that there was nothing unique about [her] interaction or the Mayor’s interaction with MYD” and that MYD did not receive any type of preferential treatment.¹⁰¹

Some DHD employees reported feeling pressured from the Mayor’s Office regarding MYD. Ms. Hill-Ashford said that if MYD ever had a problem with the DHD, they would go directly to the Mayor’s Office and the Mayor would call the DHD Director who would, in turn, scold the DHD staff regardless of fault.¹⁰² A September 13, 2017 email exchange highlights this frustration. Then DHD Director Joneigh Khaldun emailed Ms. Wiley and stated

Mayor mentioned in Cabinet- I agree, but also think there is a misunderstanding. You should also know that they are invited to our orientations, as the Mayor requested and they said they would do, but they do not show up. I am happy to run and tell the issues we have with them when they come up but was actually hoping we could work some things out internally, but I see that is not their approach. All is not perfect on their end either.¹⁰³

Ms. Wiley responded “Totally understand. That’s why I asked you to initiate communication with Make Your Date instead of reaching out myself. Let’s just meet and hash it all out.”¹⁰⁴

Based on Ms. Hill-Ashford’s past work experience, she stated MYD is unique because of Mayor Duggan’s involvement. She clarified that it was not unusual for a clinical department to want to reach out but the partnership felt forced because it was what the Mayor wanted. Ms. Hill-Ashford said that MYD “absolutely, absolutely, absolutely” received preferential treatment in terms of mayoral support and “it was highlighted, it was the preferred program.” Ms. Hill-Ashford provided the example of the work required of Tamekia Ashford Nixon, DHD Director of Communications. She explained that Ms. Nixon was the communications person for DHD, but she was required to focus a disproportionate amount of attention on the SFD and MYD partnership because “it was connected to the Mayor’s Office.”¹⁰⁵

Ms. Hill-Ashford expressed her concerns about the SFD and MYD partnership soon after Mayor Duggan directed its formation in early 2017. At that time, she was the SFD Program

¹⁰⁰ Duggan Interview, August 20, 2019.

¹⁰¹ Alexis Wiley Interview, August 19, 2019.

¹⁰² Yolanda Hill-Ashford Interview, August 7, 2019.

¹⁰³ Email from Joneigh Khaldun to Alexis Wiley RE: Make Your Date/ SisterFriends dated September 13, 2017.

¹⁰⁴ Email from Alexis Wiley to Joneigh Khaldun RE: Make Your Date/ SisterFriends dated September 13, 2017.

¹⁰⁵ Yolanda Hill Ashford Interview, August 7, 2019.

Manager. She explained that, after her third or fourth meeting with the Mayor's Office, "it started to feel more like a takeover" instead of just a partnership. She stated that it felt like SFD was merely supporting MYD. She noted that "what could have been a natural fit felt really forced." Ms. Hill-Ashford said that SFD was tasked with recruiting women for MYD and it became the focus of the meetings. She stated that it "started to feel awkward when that became the sole focus of SFD."¹⁰⁶

Ms. Hill-Ashford's assertion about recruiting is supported by an email sent by Dr. Hassan on September 13, 2017. She stated that "I would like that we hold off on sending MYD patients to SF temporarily so that we don't saturate the capacity of SFD and rather focus on SFD recruiting patients jointly to SFD/MYD."¹⁰⁷ This statement is troubling because the stated goal of both programs is to reduce infant mortality. The focus should be on making sure expectant mothers are receiving all assistance available to them as opposed to bolstering MYD's enrollment numbers.

In addition to her frustrations regarding recruiting, Ms. Hill-Ashford made it known to others that she was having difficulty getting the justification for the LMCH funding from MYD. She recalled at one time, she had been told "don't say anything" by Dr. Abdul El Sayed who was then DHD Director. Additionally, she questioned MYD's ability to solve the City of Detroit's infant mortality issue. She explained that MYD addresses cervical length measurements but there are many other factors that could lead to infant mortality.¹⁰⁸ She noted that MYD is not known in the community and she felt pressured to work with MYD. She stated it could "tarnish our chance to get out there and be successful because the community wasn't really necessarily responding well to MYD." Ms. Hill-Ashford was removed from the SFD Program Manager position soon after voicing her dissatisfaction. She believes her removal was due to her being critical of MYD, which she believed resulted in a poor work performance evaluation.¹⁰⁹

vi. Issues with the Relationship between ODG and MYD

ODG staff also had issues working with MYD and WSU representatives. ODG Development Officer Monique Phillips stated that she essentially acted as MYD's Development Officer in assisting them to raise funds. She met with MYD representatives bi-weekly, either in

¹⁰⁶ Id.

¹⁰⁷ Email from Sonia Hassan to Yolanda Hill-Ashford, Joneigh Khaldun, Alexis Wiley and cc: Heather Stern, Janine Bieda, Marisa Rodriguez, and Jennifer Hurand re: Make Your Date/ SisterFriends dated September 13, 2017.

¹⁰⁸ An email circulated at DHD from Cynthia Taueg at St. John's to anhov01@aol.com dated September 3, 2015 also expressed concerns about MYD being able to solely address the infant mortality issue. The email was forwarded from "Mitchell. It stated "Attached is yet another article challenging the cost effectiveness and clinical efficacy of universal ultrasound and treatment with the progesterone for those with a short cervix. In this study, they found a short cervix <25mm to be uncommon, only 0.9%. They calculated that Make Your date type program would only decrease the preterm delivery rate by 20 patients in a population of 18,250 women (a miniscule 0.11%, see page 65). They also refer to the growing body of literature that is finding that universal ultrasound and progesterone are not cost effective. The importance of this article is the reason that ACOG chose it to be the articles that must be read for an Ob-Gyn to maintain Board Certification. In contrast, growing evidence supports the effectiveness of IM progesterone; following the publication of my article in the NEJM in 2003, the number of preterm births in the USA is about a half million fewer than trends would have predicted. In retrospect our decision not to participate in Make Your Date was correct."

¹⁰⁹ Yolanda Hill-Ashford Interview, August 7, 2019.

person or via phone call, to discuss funding leads that were identified by both MYD and ODG. She frequently spoke with MYD representatives Marissa Galuppi Rodriguez, Janine Bieda, and WSU representative Susan Miller.

Ms. Phillips described her actions with MYD as unique. She typically only works with non-profits if they are acting as a fiduciary for a City department. She explained that some funds must be given to a 501(c)(3) and thus the non-profit functions as the “go between” so the funds can flow to the City department. There is usually an MOU to formalize the relationship and responsibilities of the non-profit and the City of Detroit. However, this was not the case with MYD. As discussed above, the City of Detroit had only one (1) MOU with WSU and/ or MYD that was for August 28, 2015 to September 30, 2015.

ODG Fund Development Officer Claire Huttenlocher stated that her involvement with MYD was primarily limited to monthly check-ins with Marisa Galuppi Rodriguez and Susan Miller. She stated that they were not very responsive. Thus, she was not successful in assisting MYD to secure grant funding.¹¹⁰ Ms. Huttenlocher stated that she never felt any pressure to provide MYD with any additional assistance and there was nothing unique about the assistance she provided to MYD.¹¹¹

Based on the above evidence, the OIG concludes many of the public servants who were most directly involved with MYD felt pressured and therefore spent a disproportionate amount of time on this agency because it was a Mayoral Priority. Additionally, several public servants stated that MYD was given City resources not afforded to other non-profits or similar agencies. Therefore, we highly recommend that policies and procedures be created that will prevent such situations from occurring in the future.

V. Deleted Emails

It was alleged that two (2) ODG staff members were directed to delete emails regarding MYD by a high-ranking official in the Mayor’s Office in an attempt to hide the amount of work done by the department to secure grant funding for MYD. Because another agency is conducting a concurrent investigation on this matter, this report will not address whether the person(s) who ordered the deletion of the emails violated any statute concerning the Michigan Record Retention Schedule. Moreover, because we cannot opine on legal matters or make legal determinations on behalf of the City, we will only address whether the person(s) who ordered the deletion of emails abused his/her/their authority.

a. Timeline of Actions

i. Approximately December 2018

ODG staff were first instructed to delete MYD emails around December 2018. During his interview, Mr. Friedrichs stated that Ms. Wiley called him soon after surveillance video of Mayor Duggan was broadcast outside of the Coleman A. Young Municipal Center. Ms. Wiley

¹¹⁰ Claire Huttenlocher Interview, May 23, 2019.

¹¹¹ Id.

told Mr. Friedrichs to have Claire Huttenlocher and Monique Phillips stop contracting MYD and to delete the outreach emails pertaining to MYD. The directive did not extend to Mr. Friedrichs, Katerli Bounds, or Sirene Abou-Chakra. Ms. Wiley justified her direction to Mr. Friedrichs by stating that she did not want to “pull the grants department into all of this.”¹¹²

Mr. Friedrichs then contacted Ms. Abou-Chakra and told her that, based on a conversation he had with Ms. Wiley, ODG should no longer communicate with MYD and both Ms. Huttenlocher and Ms. Phillips should delete all related emails.¹¹³ Ms. Abou-Chakra clearly relayed these instructions to Ms. Phillips who deleted her emails but only after she forwarded some of the emails to her personal account, so she could maintain a record.¹¹⁴ Ms. Huttenlocher, however, did not receive the message and continued to reach out to MYD via email.¹¹⁵

Ms. Wiley admitted that she spoke with Mr. Friedrichs sometime in December 2018. However, she stated that the purpose of the conversation was to find out what fundraising efforts were made by the ODG on behalf of MYD and to have his department stop contacting the organization. Ms. Wiley “did not recall” directing Mr. Friedrichs to have his staff delete MYD emails.¹¹⁶

ii. February 7, 2019

On February 7, 2019, ODG staff were given a second directive to stop contacting MYD and to delete all MYD related emails. Mr. Friedrichs explained that Ms. Wiley called again because Ms. Rodriguez at MYD notified her that Ms. Huttenlocher was continuing to email MYD about fundraising. Mr. Friedrichs contacted Ms. Abou-Chakra and again instructed her to relay the directive to Ms. Huttenlocher. He also noted that, at that time, a “full stop” occurred to “let the circus settle.”¹¹⁷

Ms. Huttenlocher stated during her OIG interview that Ms. Abou-Chakra called her on February 7, 2019 and ordered her to delete her MYD emails. Ms. Abou-Chakra told her that the request came from Ms. Wiley and that Ms. Phillips had also been told to delete emails.¹¹⁸ Ms. Abou-Chakra further stated to Ms. Huttenlocher that Mr. Friedrichs was aware of the request and the deletions were meant to “protect you guys.” Ms. Huttenlocher did not know what that meant but stated that it was framed around wanting to protect them from the press coverage.¹¹⁹

Ms. Wiley confirmed that Ms. Rodriguez contacted her because ODG’s grants team continued to reach out to MYD, sending her the same grant agreement for months that MYD had no interest in signing. She also confirmed that she spoke with Mr. Friedrichs a second time about stopping all MYD communication. Ms. Wiley noted that with “Bob Carmack and all of

¹¹² Ryan Friedrichs Interview, June 4, 2019.

¹¹³ Sirene Abou-Chakra Interview, June 4, 2019.

¹¹⁴ Monique Phillips Interview, May 29, 2019.

¹¹⁵ Sirene Abou-Chakra Interview, June 4, 2019. Claire Huttenlocher Interview, May 23, 2019.

¹¹⁶ Alexis Wiley Interview, August 20, 2019.

¹¹⁷ Ryan Friedrichs Interview, June 4, 2019.

¹¹⁸ Ms. Abou-Chakra also stated during her OIG interview that she was told on two (2) separate occasions to stop communicating with MYD and for Ms. Phillips and Ms. Huttenlocher to delete emails.

¹¹⁹ Claire Huttenlocher Interview, May 23, 2019.

the craziness going on,” the intention was that the ODG grant team should stop reaching out to MYD. However, Ms. Wiley again denied requesting that Mr. Friedrichs have his staff delete emails. She stated “I do not recall saying that and when I learned emails had been deleted I was surprised.”¹²⁰

iii. Mid-March to April 2019

Around March or April of 2019, Ms. Abou-Chakra sought out details on what fundraising efforts had been undertaken on behalf of MYD after Ms. Wiley requested this information. Because she did not have firsthand knowledge of what ODG did to raise funds for MYD, Ms. Abou-Chakra worked with Mr. Friedrichs, Ms. Phillips, and Ms. Huttenlocher to compile the information for Ms. Wiley, which then was provided to her.¹²¹

Later that same week, Ms. Phillips and Ms. Abou-Chakra were called into Ms. Wiley’s office. Ms. Phillips explained her MYD fundraising efforts to Ms. Wiley. During the meeting, Ms. Wiley asked Ms. Phillips to provide her with detail on what a particular email said. Ms. Phillips responded that she did not know because, per Ms. Wiley’s instructions, the emails were deleted. Ms. Abou-Chakra recalled Ms. Wiley saying “that was right” at the meeting.¹²²

Ms. Wiley recalled the meeting with Ms. Phillips and Ms. Abou-Chakra to discuss ODG’s fundraising efforts, including the agencies ODG had reached out to on behalf of MYD. However, Ms. Wiley recalled the meeting occurred in April. Ms. Wiley stated that, during the conversation, the Carls Foundation came up and she asked Ms. Phillips if there were any emails pertaining the Carls Foundation. She replied ‘no’ and informed Ms. Wiley that her emails had been deleted. Ms. Wiley explained that she “did not think anything of [the deletions]” because she was not aware of the content of the conversations and she just assumed the deletions were normal and innocent.¹²³

iv. Early May of 2019

In early May of 2019, after an ODG employee who was being dismissed from her employment alleged that there was a “sinister motive for deleting the emails,” Mr. Friedrichs approached Dave Massaron, Chief Financial Officer, about recovering the deleted MYD emails.¹²⁴ Mr. Massaron then contacted Beth Niblock, City of Detroit Chief Information Officer, as well as WSU to assist in recovering the emails. During his OIG interview, Mr. Friedrichs stated that the emails were recovered to “avoid the appearance of impropriety.”¹²⁵ He did not know if the emails would have been recovered if not for the employee’s allegations.

¹²⁰ Alexis Wiley Interview, August 19, 2019.

¹²¹ Sirene Abou-Chakra Interview, June 4, 2019 and Claire Huttenlocher Interview, May 23, 2019.

¹²² Sirene Abou-Chakra Interview, June 4, 2019.

¹²³ Alex Wiley Interview, August 19, 2019.

¹²⁴ Ryan Friedrichs Interview, June 4, 2019. Ms. Abou-Chakra also stated during her interview that the emails were recovered only after a “disgruntled employee” complained.

¹²⁵ Ryan Friedrichs Interview, June 4, 2019.

b. Analysis

There is no single definition for abuse of authority.¹²⁶ Black's Law Dictionary defines it as a "misuse of power by someone in a position of authority who can use the leverage they have to oppress persons in an inferior position or induce them to commit a wrongful act."¹²⁷ The Ethics Office for the United Nations Educational, Scientific and Cultural Organization states

The abuse and misuse of power or authority in the course of performing work can occur both with external stakeholders and internally among staff. The effects can be damaging to morale and to working relationships. Abuse of power or authority can take various forms. Examples include:

- Bullying or harassing behavior
- Requesting staff to do personal errands or favours
- Pressuring staff to distort facts or break rules
- Interfering with the ability of a colleague to work effectively (i.e. by impeding access to information or resources)¹²⁸

i. Abuse of Authority

Based on the above outlined facts, the OIG finds that Alexis Wiley abused her authority when she ordered Ms. Phillips and Ms. Huttenlocher to delete MYD emails through their boss, Mr. Friedrichs. Likewise, we find Mr. Friedrichs and Ms. Abou-Chakra also abused their authority by relaying the directive to Ms. Phillips and Ms. Huttenlocher. The OIG makes these findings based on a preponderance of the evidence which reflects that it is "more probable than not"¹²⁹ that Ms. Wiley gave this direction to ODG staff.

Mr. Friedrichs definitively stated that Ms. Wiley gave him the directive for his staff to stop communicating with MYD and to delete MYD emails. He told the OIG that he clarified with Ms. Wiley that she was ordering that the emails be deleted to which she replied "yes." He further stated that he believes Ms. Wiley "meant well" and was merely trying to protect the ODG staff.¹³⁰

The OIG finds Mr. Friedrichs' statement credible. After Mr. Friedrichs received the first order from Ms. Wiley for his staff to delete MYD emails in December of 2018, he immediately contacted Ms. Abou-Chakra so she could inform Ms. Huttenlocher and Ms. Phillips. At that time, he told Ms. Abou-Chakra the request came from Ms. Wiley. Moreover, after Ms. Wiley made the same request in February of 2019, Mr. Friedrichs again provided this information to Ms. Abou-Chakra. She then contacted Ms. Huttenlocher and Ms. Phillips to remind them of the

¹²⁶ It may also be referred to as abuse of power.

¹²⁷ Thelaw.com Law Dictionary and Black's Law Dictionary, 2nd Edition, <https://dictionary.thelaw.com/abuse-of-power/>

¹²⁸ <http://www.unesco.org/new/en/ethics-office/ethics-guidance/abuse-of-power-or-authority/>

¹²⁹ <https://www.merriam-webster.com/legal/preponderance%20of%20the%20evidence>

¹³⁰ Ryan Friedrichs Interview, June 4, 2019.

directive from Ms. Wiley. Ms. Huttenlocher recalled that Ms. Abou-Chakra told her that the request came from Ms. Wiley.¹³¹

The statements made by Mr. Friedrichs, Ms. Abou-Chakra, Ms. Phillips, and Ms. Huttenlocher are consistent in that the order to delete the emails came from Ms. Wiley. While Ms. Wiley had trouble recalling the specific directive she issued to Mr. Friedrichs, we find that more likely than not, Ms. Wiley initiated the directive. Moreover, we note Mr. Friedrichs relayed this information to his staff in real time. Therefore, we find Mr. Friedrichs' statement to be persuasive.

Mr. Friedrichs told the OIG that he believed "this was permissible under the laws and policies."¹³² Also, at that time, there was no indication that the MYD email deletion would become an issue as Ms. Abou-Chakra, Ms. Huttenlocher, and Ms. Phillips did not initially express any concerns about the request. At the time the direction was received, the OIG had not yet opened its investigation and there was no pending FOIA request for the ODG documents. Therefore, he would have no reason to try to preemptively shift blame or make up the fact that the directive came from Ms. Wiley.

Ms. Wiley disputes that she ordered him to have his staff delete MYD emails. However, in her OIG interview, instead of providing a definitive statement that she did not give that directive, she said that she "does not recall" or "does not remember" telling Mr. Friedrichs to delete the emails.¹³³ Ms. Wiley eventually clarified that she may have mentioned during the December 2018 conversation with Mr. Friedrichs that emails were discoverable under FOIA. She said that Mr. Friedrichs may have misunderstood her statement but she never told Mr. Friedrichs to delete emails.¹³⁴

Ms. Wiley explained she learned MYD emails had been deleted during a meeting with Ms. Abou-Chakra and Ms. Phillips regarding ODG's MYD fundraising efforts. Ms. Wiley told the OIG that she "had no reason to think it was something that needed to be reported" because she assumed the emails were deleted as a part of the normal course of business.¹³⁵ However, this contradicts Ms. Wiley's earlier statement that she was surprised when she first learned emails had been deleted. Additionally, this contradicts Ms. Abou-Chakra's recollection of the meeting. Ms. Abou-Chakra recalls Ms. Wiley being reminded that she told ODG to delete emails to which Ms. Wiley replied "that was right."¹³⁶

It is important to note that Ms. Wiley's statements support the recollections of Mr. Friedrichs, Ms. Abou-Chakra, Ms. Huttenlocher, and Ms. Phillips on several points. Ms. Wiley acknowledged that she told Mr. Friedrichs to have his staff stop communicating with MYD on

¹³¹ Ryan Friedrichs Interview, June 4, 2019; Sirene Abou-Chakra Interview, June 4, 2019, and Claire Huttenlocher Interview, May 23, 2019.

¹³² Ryan Friedrichs Interview, June 4, 2019.

¹³³ Alexis Wiley Interview, August 20, 2019.

¹³⁴ Alexis Wiley Interview, August 20, 2019. Ms. Wiley's attorney interrupted the OIG interview to interject this point. Ms. Wiley confirmed that her attorney's statement was accurate. However, she mostly told the OIG that she "did not recall" telling Mr. Friedrichs to delete emails.

¹³⁵ Alexis Wiley Interview, August 19, 2019.

¹³⁶ Sirene Abou-Chakra Interview, June 4, 2019.

two (2) separate occasions. She also acknowledged the meeting with Ms. Abou-Chakra and Ms. Phillips where the deletion of MYD emails was mentioned. Curiously, the only deviation in her recollection as compared to everyone was her order to delete MYD emails.

Ms. Wiley told the OIG that she learned the email deletion may be an issue after an ODG employee, who was about to be terminated, questioned the motivations for doing so. Ms. Wiley also learned at the same time that the employee was alleging that the Mayor's Office directed the deletion of emails. She said that she subsequently contacted Mr. Friedrichs and he alleged that he received the direction to delete MYD emails from her. Ms. Wiley denied this, but he told her that she did give that command.¹³⁷

Ms. Wiley then called Mayor Duggan to inform him of her conversation with Mr. Friedrichs and to deny directing the deletion of MYD emails.¹³⁸ Mayor Duggan confirmed that he learned about the deleted MYD emails from Ms. Wiley. He told the OIG that he was aware of pending FOIA and OIG requests for emails, at the time of his interview, "so the last thing [he] wanted was for emails to be deleted." He also took steps to ensure that the emails were recovered.

There is no evidence to suggest that Mayor Duggan directed or knew about Ms. Wiley's order to Mr. Friedrichs for his staff to delete MYD emails. The OIG interviewed Mr. Friedrichs, Ms. Abou-Chakra, Ms. Huttenlocher, Ms. Phillips, and Ms. Wiley regarding the deleted MYD emails. None of them implicated Mayor Duggan and the OIG has no reason to find that he was involved or knew about the mandate when it was given by Ms. Wiley.

However, the OIG finds that the directive to delete MYD emails was an abuse of authority by Ms. Wiley, Mr. Friedrich, and Ms. Abou-Chakra. All three (3) are in a position of authority over Ms. Huttenlocher and Ms. Phillips. This made it extremely difficult for Ms. Huttenlocher and Ms. Phillips to question this order, let alone ignore it. Not only did their direct supervisor give the directive but also the head of their department pursuant to someone from the Mayor's Office.

ii. Alleged Reasons Given for Deletion Directive

Ms. Huttenlocher and Ms. Phillips were put in a very difficult position when they were directed by their immediate supervisor, Ms. Abou-Chakra, to delete emails. This was compounded by the fact that they were told the order came down from Ms. Wiley, who works in the Mayor's Office, through Mr. Friedrichs, who is the head of their department. Both Ms. Huttenlocher and Ms. Phillips were uncomfortable with this request though neither felt they could express their concerns when they were first ordered to delete the MYD emails.¹³⁹

¹³⁷ Alexis Wiley Interview, August 19, 2019.

¹³⁸ Alexis Wiley Interview, August 19, 2019.

¹³⁹ Claire Huttenlocher Interview, May 23, 2019 and Monique Phillips Interview, May 29, 2019.

Ms. Phillips eventually expressed her concerns to Mr. Friedrichs during a meeting where Ms. Abou-Chakra and Ms. Huttenlocher were also in attendance.¹⁴⁰ Ms. Phillips told the OIG that Mr. Friedrichs said the deletion request was made in an attempt to protect the staff. He stated that those in higher positions should have to be the ones to deal with this issue.¹⁴¹ Ms. Huttenlocher also subsequently expressed her concerns to Ms. Abou-Chakra and Mr. Friedrichs though she acknowledges that she deleted the MYD emails without initially expressing her discomfort.¹⁴²

Mr. Friedrichs did not delete his MYD emails. He told the OIG the emails were “his armor.” However, he stated that he understood asking “the 20 year olds [Ms. Huttenlocher and Ms. Phillips] to delete their emails to protect them.”¹⁴³ Ms. Abou-Chakra, who did not delete any MYD emails because she had nothing responsive to this directive, also stated that the intention was to “protect the staff so there were not emails out there to bring their names into it.”

Both Mr. Friedrichs and Ms. Abou-Chakra said that, upon reflection, they had concerns about the order to delete MYD emails. Mr. Friedrichs noted that one of his concerns was that the deletion would give the “appearance that something happened.” He wanted to continue to raise funds for MYD because he felt MYD was a good program.¹⁴⁴

Ms. Abou-Chakra stated her concerns to the OIG more strongly. She stated that it was “horrible judgment” on all their parts and made ODG “look guilty for something they should not look guilty for.” She explained that there was nothing to hide in the emails and that they would show that ODG did what they were supposed to do. Ms. Abou-Chakra also took responsibility for not pushing back when the initial deletion directive was given and acknowledged that she does not believe it was “the right thing to do.”¹⁴⁵

Ms. Wiley stated that she had no concerns about MYD emails being deleted. She told the OIG that she did not take any steps to recover the emails once she learned of the problem. She said “I did not view it as that big of a deal. I did not view it as they did something wrong.”¹⁴⁶

The OIG finds the directive to delete MYD emails troubling. More likely than not, when someone orders emails pertaining to a specific subject-matter be deleted, the person who issues the order does not want anyone to have access to the emails or have the ability to see them. However well intended, such order suggests a lack of transparency in government. The basic foundation of good government requires transparent and open governance. It also showed a profound lack of judgment by Ms. Wiley, Mr. Friedrichs, and Ms. Abou-Chakra. The deletions occurred after FOIA requests had been submitted to the City of Detroit Law Department for emails and other documentation related to MYD. Though no FOIA request for ODG emails and

¹⁴⁰ Ms. Phillips could not recall the date of the meeting but said it was after she was told twice to delete MYD emails.

¹⁴¹ Monique Phillips Interview, May 29, 2019.

¹⁴² Claire Huttenlocher Interview, May 23, 2019.

¹⁴³ Ryan Friedrichs Interview, June 4, 2019.

¹⁴⁴ Ryan Friedrichs Interview, June 4, 2019.

¹⁴⁵ Sirene Abou-Chakra Interview, June 4, 2019.

¹⁴⁶ Alexis Wiley Interview, August 19, 2019.

documentation had been submitted when the deletion occurred, any reasonable person could assume that the request was coming.

Ms. Wiley, Mr. Friedrichs, and Ms. Abou-Chakra all stated that the City of Detroit and ODG did nothing improper or unethical regarding MYD. They felt that the City acted appropriately in partnering with MYD and attempting to assist the organization raise funds. In fact, Ms. Abou-Chakra sent an email to the OIG after her interview stating, in part

I wholeheartedly believe that if I felt there was something incriminating or unethical in those emails, I would have pushed back on deleting them. The fact they were superfluous in nature made the request to delete them seem innocuous. I am sharing this because I pushed myself hard on yesterday and wholeheartedly believe that to be the truth. Thanks for your time and the work that you do.¹⁴⁷

Mr. Friedrichs and Ms. Abou-Chakra both stated that Ms. Huttenlocher and Ms. Phillips were instructed to delete their MYD emails to protect them. The very fact the emails were ordered to be deleted and were deleted imply negative motives. Moreover, the fact there was such an order issued and was subsequently executed unnecessarily gave credence to *the ODG employee's suggestion* that deletion of emails was a cover-up.

iii. Issues with Recovered Emails

Mr. Massaron worked with both the City of Detroit Department of Innovation and Technology (DoIT) as well as WSU to recover the deleted emails. Mr. Friedrichs stated that WSU gave the City of Detroit all of the emails they had between MYD/ WSU and the City of Detroit. Ms. Huttenlocher and Ms. Phillips were then asked to determine if all of their MYD emails had been recovered.¹⁴⁸ It should be noted that this is a difficult task, given that their communications with MYD date back to 2017. Regardless, Ms. Huttenlocher indicated that some Robert Wood Johnson Foundation emails may be missing¹⁴⁹ and Ms. Phillips noted an email she received from Dr. Hassan praising her work was also missing.¹⁵⁰ Ms. Phillips' email was subsequently recovered.

While Mr. Massaron did provide the OIG with 59 recovered emails, in fact, not all MYD emails were recovered. The OIG was able to recover an additional 26 emails.

On May 14, 2019, after the OIG became aware of Ms. Wiley's directive to ODG staff to delete emails, the OIG contacted DoIT to request that the department assist us in recovering any deleted emails. Based on the information provided by DoIT, the OIG identified the additional emails.

¹⁴⁷ Email from Sirene Abou-Chakra to Jennifer Bentley dated June 5, 2019.

¹⁴⁸ Ryan Friedrichs Interview, June 4, 2019.

¹⁴⁹ Claire Huttenlocher Interview, May 23, 2019.

¹⁵⁰ Phone Conversation with Ms. Phillips in July 2019.

Additionally, between Mr. Massaron, the OIG, and WSU, it still cannot be definitely stated that all deleted MYD emails were recovered. Mike Homant, Director of Enterprise Technology Operations for DoIT, informed the OIG of the following

Important, the below documentation excludes accounts that have been put on legal/litigation hold. Accounts on legal/litigation hold do not allow for emails to be deleted.¹⁵¹

The definition of a deleted email is one that has been deleted and removed from the email trash or deleted items folder. This includes items that the customer deletes bypassing the email trash or deleted items folder by using [Shift] + [Delete].

Our current email platform Microsoft Exchange Online, allows for deleted email to be recovered for 14 days. This capability may be changed by Microsoft at any time.

The City's legacy email platform GroupWise, allows for deleted email to be recovered for 1-4 days based on what GroupWise post office the customer is in. The reason for the variation based in post office is based on the size of post office and amount of space required for the backup. The email is recoverable until the backup system overwrites the last backup containing the deleted email. The backup system was originally setup with a 14 day retention period which has shortened based on the growth of the post offices.¹⁵²

The emails deleted by Ms. Huttenlocher and Ms. Phillips were in the GroupWise email platform. Based on the above information, it is impossible to definitively say that all deleted MYD emails have been recovered. Though WSU likely has a different emails system that may preserve emails longer, they would not have access to emails that were exchanged internally in the City of Detroit regarding MYD.

Additionally, Ms. Wiley has publicly stated that the City's efforts to raise funds for MYD were unsuccessful and that the City of Detroit made only preliminary inquiries on behalf of MYD. However, the recovered emails show otherwise. These emails show that ODG staff made more than preliminary inquiries on behalf of MYD. Attached are summaries of the emails recovered by both the City of Detroit and the OIG that shows the extent of the work done via email by Ms. Huttenlocher and Ms. Phillips.

The OIG finds that the recovered emails contradict statements made by Ms. Wiley regarding the amount of work and effort ODG put forth in an attempt to secure funding for MYD.

¹⁵¹ Neither Ms. Huttenlocher nor Ms. Phillips' email accounts had legal/ litigation hold.

¹⁵² Email from Mike Homant, Director of Enterprise Technology Operations for DoIT, to Ellen Ha, Jennifer Bentley, Beth Niblock; cc: Kamau Marable RE: Deleted Email Retrievals, July 15, 2019.

Regardless of the number of emails exchanged, the contents of the emails, or whether the emails were recovered, the damage was done when the emails were ordered to be deleted. While all those who recalled the events of email deletion were consistent in that the order was given in best intention to protect employees, it is not the intent or the motivation we question in our investigation, but rather the fact they were ordered to be deleted. The OIG finds that the ordering of the deletion of emails is more than a minor or trivial action. It threatens the public's ability to trust that their government is operating in a transparent manner.

iv. Use of Personal Email

Pursuant to a document request, the OIG received emails sent and received by the Mayor and Ms. Wiley from their respective personal email accounts. Therefore, we are compelled to make the following findings.

Mayor Duggan and Ms. Wiley both use personal email to conduct City business. Mayor Duggan told the OIG that he performs city business on his personal email, though not as much, since the City switched GroupWise to Outlook email platform. He said that he received training that he could use private email accounts but noted that all city business, regardless of the email account, is subject to FOIA.¹⁵³ Ms. Wiley told the OIG that she uses her personal email account to conduct city business and is under the impression that is not an issue.¹⁵⁴

The OIG finds this practice extremely problematic. All City of Detroit public servants, including elected officials, are given a City email address. This is what should be used to conduct City business. When any public servant uses a personal email account to conduct City business, anyone seeking information from that account is at the mercy of that individual to produce the emails on their own. This is in contrast to City email which can be accessed by DoIT to recover the emails with or without the public servant's knowledge.

It is important to note that there is no indication that Mayor Duggan or Ms. Wiley failed to turn over any emails responsive to any FOIA request from their respective personal email accounts. However, moving forward, the use of private emails to conduct city business should be discontinued, unless the public servant is unable to access the city's email.

VI. Conclusion

Based on the OIG investigation, we find Mayor Duggan gave MYD preferential treatment. However, in doing so, he did not violate any City policies, procedures, or laws regarding the selection of City partners or Mayoral Priorities as there were none. However, the OIG finds the selection lacked fairness, openness, and transparency because it excluded other potential agencies, non-profits, and programs who may have been able to help reduce Detroit's infant mortality. The selection of MYD did not follow any established process in which a thorough and complete evaluation of the organization occurred. Thus, we conclude his actions violated best practice and good governance.

¹⁵³ Mayor Duggan Interview, August 20, 2019.

¹⁵⁴ Alexis Wiley Interview, August 19, 2019.

Finally, Ms. Wiley, Mr. Friedrichs, and Ms. Abou-Chakra abused their authority by ordering their subordinates to delete emails related to MYD. These actions show a blatant disregard for transparency and good governance. It also showed a profound lack of judgment by all involved.

VII. Recommendations

The OIG makes the following recommendations:

1. Establish policies and procedures for the selection of organizations, agencies, and non-profits that will partner with the City of Detroit and receive any type of City resource. This policy should ensure fairness, openness, and transparency in the selection process.
2. Provide training to ODG staff as well as Alexis Wiley regarding Michigan Record Retention Policy.
3. Issue appropriate discipline to Alexis Wiley for ordering ODG staff to delete MYD emails as well as for providing misleading public statements regarding MYD funding.
4. Issue appropriate discipline to Ryan Friedrichs for ordering ODG staff to delete MYD emails.
5. Issue appropriate discipline to Sirene Abou-Chakra for ordering ODG staff to delete MYD emails.
6. Establish a policy preventing all public servants from conducting City business on personal email accounts.